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TOR:041930Z MAR 77 CARA 32414

S E C R E T 041555Z MAR 77 STAFF

CITE [CARACAS] 32414

TO: DIRECTOR.

WNINTEL RYBAT

REF: [CARACAS] 32384 (IN 203537)

1. ON 3 MARCH CHARGE (DCM) TALKED "INFORMALLY" TO FOREIGN MINISTER ESCOVAR SALOM, INFORMATION MINISTER DIEGO ARRIA, AND PRESIDENTIAL CONFIDANT AND UNOFFICIAL PRESS ADVISOR EUGENIO SOLER. TO ALL THREE CHARGE MADE SAME TWO BASIC POINTS WITH THOUGHT THESE WOULD BE RELAYED TO PRESIDENT PEREZ: (1) VENEZUELAN GOVERNMENT HAD MISREAD NEW YORK TIMES STORY; HAD ATTRIBUTED TO DAVID PHILLIPS STATEMENTS APPARENTLY MADE BY OTHERS; HAD OVER-REACTED TO WHAT SEEMED TO BE AN EFFORT ON PHILLIPS' PART TO BE HELPFUL; AND (2) THE USG WAS STANDING PAT ON THE PRESIDENT'S LETTER. NO ONE ELSE WAS SPEAKING, COULD OR WOULD SPEAK FURTHER FOR THE USG ON THIS SUBJECT. AS FAR AS THE U.S. WAS CONCERNED, ISSUE WAS CLOSED AND WE HOPED GOV WOULD SEE IT THE SAME WAY.

2. DURING 3 AND EARLY 4 MARCH IT APPEARS THAT THE CHARGE'S EFFORTS AND TRADITIONALLY SHORT LATIN AMERICAN ATTENTION SPAN HAVE COMBINED TO GREATLY EASE CRISIS SITUATION OF LAST WEEK, AT

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3/rv

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LEAST AS FAR AS GOV IS CONCERNED. CAP AND GOVERNMENT SPOKESMEN HAVE ALL STATED THAT INCIDENT HAS ENDED AND ARE NOW TRYING TO DIVERT ATTENTION TO OTHER SUBJECTS. MEDIA COVERAGE IS RETURNING TO NORMAL WITH STORIES OUT OF HEADLINES AND BACK ON PAGE SIX OR EIGHT, SUPERSEDED BY NIEHOUS CASE, UGANDAN SITUATION, OPEC PRICE HIKE, ETC. UNFORTUNATELY, EVERY VENEZUELAN WEEKLY MAGAZINE HAS LONG ARTICLE (S) ON CIA WHICH ARE, OF COURSE, DEFAMATORY, AND TEND TO WHIP UP PUBLIC ANTIPATHY TOWARDS AGENCY. THEN TOO, THERE IS STILL MATTER OF DEMONSTRATION AGAINST CIA WHICH TWO DAYS AGO CAP SEEMED TO BE INSTIGATING IN TWO MEETINGS WITH JOSE VICENTE R A N G E L AND POMPEYO M A R Q U E Z OF MAS AND JESUS F A R I A OF THE PCV. NEVERTHELESS, ON THE WHOLE, THEINTEREST IN THIS ISSUE SEEMS TO BE DROPPING OFF AND DYING OUT RATHER RAPIDLY.

24

3. LIAISONS WITH DIM AND DISIP CONTINUE AS BEFORE- IF ANYTHING, ODDLY WE ARE GETTING A LITTLE MORE OUT OF THESE ASSOCIATIONS THAN BEFORE THE FLAP. AMBASSADOR'S INSTRUCTIONS ON LIAISON BEFORE HE LEFT ON CONSULTATION VISIT WERE "BUSINESS AS ~~SUAUAL~~ USUAL AND LET THEM MAKE FIRST BREAK IF THEY WANT TO". IT WAS AMBASSADOR'S OPINION THAT WHILE CAP WAS BLASTING CIA PUBLICLY HE

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24 [WOULD NOT WANT TO SEVER ALL TIES]: ALTHOUGH AMBASSADOR, STILL SOMETHING OF A POLLYANNA AT SUCH TIMES, SERIOUSLY UNDERESTIMATED CAP'S INTENTION TO 24 [PNG TWO OF US] AN ACTION WHICH CAME WITHIN ONE HOUR OF OCCURING. ANYWAY, THROUGOUT ALL OF THIS 24 [BOTH DIM AND DISIP] HAVE CONTINUED THEIR CONTACTS AND HAVE TRIED TO BE AS FRIENDLY AND UNDERSTANDING, PERHAPS EVEN 24 [COVERTLY] HELPFUL, AS SITUATION WOULD ALLOW. TYPICAL OF 24 [LIAISON] ATTITUDE IS 06 [DIM COLONEL C A T A L A N ' S] CONVERSATION WITH CRYMM DURING PEAK OF CRISIS HAVING DISCUSSED A VARIETY OF TOPICS OF 24 [COMMON OPS] INTEREST, 06 [CATALAN] ASKED CRYMM, "WELL OTHERWISE, HOW ARE THINGS GOING?" CRYMM REPLIED , " YOU WHOULD KNOW THE ANSWER TO THAT", TO WHICH 06 [CATALAN] SAID, SOMEWHAT GLUMLY, " YET, I SUPPOSE SO".

4. WE SHOULD NOT FOOL OURSELVES IN THINKING THAT THE WORLD HERE IS NOT DIFFERENT, HOWEVER. WKSCARLET-9 COVERTLY REPORTED [THAT DISIP HAS DEFINITELY TAPPED AT LEAST COS'S HOME PHONE, LIAISON OFFICER'S OFFICE LINE, AND TELEPHONES OF EX-COS LABANOW AND JOE MANN, LOCAL NEW YORK TIMES REPRESENTATIVE. CAP HIMSELF INSTRUCTED DISP DIRECTOR TO GO OUT AND GET CIA AND INDICATED TO AMBASSADOR HE WAS HAVING SECURITY SERVICES LOOK INTO CIA CONTACT IN VENEZUELA, PARTICULARLY THOSE WITH JOURNALISTS. TWICE] 24

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24

IN LAST COUPLE OF DAYS STATION CASE OFFICERS HAVE ENCOUNTERED WHAT CERTAINLY APPEARED TO BE SURVEILLANCES. WKIDET-3 REPORTS THAT LAST WEEK CUBAN AMBASSADOR HERNANDEZ VISITED CAP AND PROVIDED HIM A LIST OF ALL CIA PERSONNEL AND AGENTS THE CUBANS KNOW TO BE OPERATING IN VENEZUELA. SO, AS CAN BE SEEN BY ALL OF THIS, THE RELATIVELY EASY OPERATING CONDITIONS OF THE RECENT PAST NO LONGER PERTAIN- PERHAPS THEY NEVER WILL AGAIN- AND WHILE WE ARE NOT BECOMING PARANOID NOR WILL WE BE UNDULY SPOOKED, WE HAVE ADJUSTED TO THE NEW AMBIENTE AND ARE NOW BEING MUCH MORE CONSERVATIVE AND CAUTIOUS IN OUR ACTIVITIES THAN BEFORE.

5. NO FILE. E2, IMPDET.

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